

**MINUTES
REGULAR MEETING
RETIREMENT BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE
AND PARISH OF EAST BATON ROUGE
NOVEMBER 18, 2021**

The regular meeting of the Retirement Board of Trustees was held in the Metropolitan Council Chambers at 222 St. Louis Street, and was called to order at 10:03 a.m. by Board Chairman Ms. Marsha Hanlon. Members present: Mr. Mark LeBlanc, Mr. Brian Bernard, Mr. David West, Chief Britt Hines, Lieutenant Matt Johnson, and Mr. J. Daniels. Absent: None. Staff present: Mr. Jeffrey Yates, Mr. Mark Williams, and Mr. Kyle Drago. Others present: Ms. Denise Akers – legal counsel, Mr. Joe Toups – Council Budget Office, Ms. Sharon Campbell, and Ms. Debbie McClure – Finance Department, Mr. Paul Cobler – The Advocate, Ms. Darlene Winfield Jarvis – BREC, Mr. James Mack – Louisiana State Treasurer's Office, and Mr. Corey Artieta – BRFD.

Mr. Drago formally called the roll.

The chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meeting of October 28, 2021, and called for a motion.

Motion by Mr. West, seconded by Lt. Johnson to suspend the reading of, and approve the minutes of the regular meeting of October 28, 2021 as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 2, Disability, there was one item to address under Item 2A, Disability Applications as follows:

Glynn Averette	Police	Ordinary Disability
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Motion by Mr. Bernard, seconded by Mr. West to approve the ordinary disability application of Mr. Glynn Averette (police) in accordance with the recommendation of the Board's medical consultant.

Under discussion, Mr. Williams explained that the medical exam is required by the Retirement Ordinances, even though Mr. Averette transferred his service to MPERS and had been approved for disability retirement by their physician also. He stated that CPERS was not informed that Mr. Averette had applied for disability retirement with MPERS, and therefore entered the process late, plus the delay while hiring a new medical consultant. He read the pertinent parts of the Guarantee of Benefits Contract regarding the procedures required of CPERS. In answer to a question from Mr. Bernard, Mr. Williams explained that the normal process with HR could not be executed because the member had already retired with MPERS. He noted that it would have been a problem had the two physicians not agreed on the disability opinion. Mr. Bernard stated that he was concerned about the process being violated. Ms. Akers stated that because this process had gone so far prior to CPERS being informed, she believed CPERS had acted appropriately, but that going forward, the police members needed to know that CPERS should be involved in the disability process early on. Mr. Yates noted that CPERS had followed procedure and did not take the word of the MPERS physician, but ordered an examination and/or a records review by its own physician.

There were no objections to the motion.

Motion passed by those members present.

The next item on the agenda was Item 3, Benefits Report, and the chairman called on Mr. Yates to present the report. Mr. Yates stated that there was one unusual item on the report pertaining to a member who could have applied for his benefit years ago but chose not to until recently. He stated that the report was in order as presented.

Motion by Mr. LeBlanc, seconded by Mr. West to approve the Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this report was provided for informational purposes only, and no action was necessary.

The chairman then moved to Item 5, Consultants' Reports, and under Item 5A, Status on Pending Legal Matters, recognized Ms. Akers for her legal update report. Ms. Akers stated she had one item that needed to be addressed in executive session, and that it could be taken up at the end of the meeting. She then outlined the status of each of the securities litigation matters outstanding, and noted that the most recent changes were highlighted in yellow. In the MacroGenics suit the Board last month authorized an appeal that was then filed timely. She noted that the appeal process normally takes months to conclude. In the GreenSky litigation the attorneys had asked Mr. Yates for the bank wiring instructions, so it is assumed that the final approval by the judge had been granted. Regarding the Impinj case, she stated that the attorneys did not know why there had been a delay in disbursing payments to the class, since approval had been granted some time ago. In the Energy Transfer case, the discovery stage, including a deposition from Mr. Yates, was supposed to occur in November but was pushed back to December. In the Merritt Medical case, Ms. Akers stated that a motion to oppose class certification is due February 13, 2022, with discovery scheduled to conclude in July of 2022 and trial set for October 11, 2022. She stated that one of these cases would be discussed in executive session near the end of the meeting.

Ms. Akers stated that Mr. James Mack would be starting in the position of Retirement Administrator on Monday, November 22nd. She noted that the ordinance amendment item would be taken up later in the meeting under Unfinished Business.

The chairman then moved to Item 6, Committee Reports, and under 6B, Investment Committee, called on Mr. LeBlanc for his report. Mr. LeBlanc stated that an Investment Committee meeting was held on November 15, 2021 with representatives from AndCo in attendance to present the 3rd quarter investment performance results. He stated that the return for the 3rd quarter was 0.9%, for the calendar year to date was 9.8%, and for the 1 year period was 21.74%. All 3 periods beat the policy index by 0.9, 294, and 541 basis points respectively. Another topic at the meeting was the S&P 500 manager INTECH, which is paid 35 basis points, and the possibility of moving those assets, valued at \$121.7 million to a BlackRock R1000 index fund. That issue will be looked at again during the first quarter of 2022. Regarding the Police Guarantee Trust, Mr. LeBlanc reported that the investments had returned -.67% for the 3rd quarter, 5.43% for the calendar year to date, and 14.19% for the 1 year period. These returns beat the policy benchmark by 1, 67, and 133 basis points respectively. The Board received the report and no action was necessary.

Moving to Item 7, Staff Reports, the chairman noted that under Item 7C there were invoices from the Law Office of Akers & Wisbar. Mr. Drago gave a brief synopsis of the outstanding charges, and the chairman called for a motion.

Motion by Mr. LeBlanc, seconded by Mr. Daniels to approve payment for the charges to the law firm of Akers & Wisbar as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7D there was an invoice from the Law Office of Tarcza & Associates, and the chairman called for a motion.

Motion by Mr. West, seconded by Lt. Johnson to approve payment for the charges to the law office of Tarcza & Associates as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7E there was an invoice from the actuarial firm of Foster & Foster, and the chairman called for a motion.

Motion by Mr. West, seconded by Mr. LeBlanc to approve payment for the charges to the actuarial firm of Foster & Foster as presented.

No discussion and no objections.

Motion passed by those members present.

Under 7F, there were a number of investment manager/consultant invoices for the Board's review.

Under 7G, Cash Activity Report, Mr. Drago presented the cash flow report and the budget comparison report and stated that these reports were for the Board's information.

The chairman then moved to Item 8, Unfinished Business, and under Item 8A, Discussion and Consideration of Retirement Ordinance Language Relative to Plan Tax Qualification Requirements, stated that there was a redline version of the entire Retirement Ordinances with proposed changes which must be submitted to the Council Administrator by noon today in order to get the changes effective for the new year. She stated that if it is the Board's pleasure to approve this item, the Mayor's Office had no problem with it, and the Parish Attorney's Office had deferred to the Board's legal counsel for the correctness of the language. Ms. Akers stated she had sent the ordinance language to all Board members, to the tax counsel, to the actuary, and to the Mayor's Office. She stated that the Parish Attorney's Office had deferred to Ms. Akers as general counsel for CPERS because she had had more time to review the language. Mr. West

stated that he understood that Ms. Brookes had stated she would not have time to review the language changes in time to meet the deadline in November. He further stated that he had always noted that documents needed approval by the Mayor's Office and the Parish Attorney before going to the Council, which serves as the Council's attorney. He said he felt strongly that this item should go back to the Parish Attorney and ask him to assign one of his attorneys before bringing the item before the Council. Both Ms. Hanlon and Ms. Akers stated that the Parish Attorney's Office had told them the Parish Attorney historically has deferred Retirement Ordinance changes to CPERS' general counsel. Ms. Akers was told by Ms. Kim Brookes that she would not be able to review the ordinance changes in the month of November because of personal obligations. Ms. Akers then sent the changes to Mr. Andy Dotson asking about the possibility of assigning the project to another attorney. Ms. Akers was then contacted by email from Ms. Brookes stating that these issues were historically deferred back to CPERS' legal counsel because of the greater familiarity with the issue. She noted that if the Metro Council had questions or concerns, the Parish Attorney would reach out to CPERS' counsel to provide additional information for the item. Ms. Akers stated that she had been told that the Parish Attorney's Office did not have to approve of something that CPERS would put before the Council. She noted that the item would not go before the Council in public hearing until December, so the Board could continue to discuss the item after it is introduced. Mr. West stated that because this was an ordinance amendment with significant changes, and that he felt strongly that the Parish Attorney's Office should look at it, and that it was possible the Council may not agree on the item, he felt strongly the item should be deferred. He further stated that he did not think the Board should race through the approval, given that they had been methodically working on these changes for nearly a year.

Motion by Mr. West, seconded by Mr. Daniels to defer this item to the next regular meeting, pending Ms. Akers contacting the Parish Attorney to have an attorney review the ordinance changes before the item goes to the Metro Council.

Under discussion Ms. Akers noted that a deferral would mean that the item would not be presented before year end. Mr. Bernard asked that the Board members be sent the documents that would eventually go before the Council. Mr. Daniels stated that he would like more time to review the entire set of documents. Mr. Yates noted that as the item gets delayed, it may also delay the provision that requires employers to pay retirement employer contributions on members in the DROP, and that Ms. Linda Hunt had stated that she had prepared to start this requirement with the first payroll of 2022. Ms. Hanlon stated that the effective date of the ordinance changes would have to be pushed back until Council approval. Because of HR procedures, Ms. Akers suggested making the effective date as the first day of the beginning of a payroll period after Council approval.

There were no objections to the motion.

Motion passed by those members present.

The chairman then moved to Item 8B, discussion of Retirement Ordinance Language Amendment Regarding Age Penalty, and noted that this item would be deferred until the next meeting.

There were no items to address under Item 9, New Business.

Under Item 10, Administrative Matters the chairman noted there was one item to address under Item 10A, Consideration of New Contract for Actuarial Services – Foster & Foster, and recognized Ms. Shelley Johnson for her comments. The chairman called the Board's attention to a spreadsheet showing the current actuarial fees and the proposed fees for the next 5 years. Ms. Johnson stated that the current contract would be expiring at the end of 2021 and that Foster & Foster would very much like to continue the relationship if the Board so desires. She included modest increases for services, most of which were based on the CPI recent increases. There were no hourly rate increases being proposed. Another change is that the fees for the PGT were being split out separately from the CPERS trust. The fee increase rate for the 5-year experience study was higher than other fee increases because Foster & Foster found that the studies required more time than originally estimated. She summed up the increases for each separate service provided. There were no questions from the Board.

Motion by Mr. Bernard, seconded by Mr. West to approve the proposed contract for actuarial services from the firm of Foster & Foster for a 5-year period.

No discussion and no objections.

Motion passed by those members present.

The chairman then continued with Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Yates who stated that the report included the ordinary disability approved earlier in the meeting.

Motion by Mr. LeBlanc, seconded by Mr. West to approve the PGT Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 11B, the chairman noted that the PGT DROP Notifications Report was provided for

the Board’s information, and that no action was required.

Under Item 11C, Consultants’ Reports, there were no items to address.

There were no investment manager invoices under Item 11D.1 for the Board’s review.

Under Item 11D.2, PGT Cash Activity Report, Mr. Drago presented the cash activity report and the budget comparison report.

Under Item 11E, there were no matters for consideration.

Under Items 11F Unfinished Business, and 11G, there were no matters to address.

Ms. Akers then requested a motion for executive session needed to discuss legal matters pertaining to pending litigation.

Motion by Ms. Hanlon, seconded by Mr. West to go into executive session at 10:39 a.m. to discuss a matter of litigation.

No discussion and no objections.

Motion passed by those members present.

Regular session resumed at 10:43 a.m.

There was a brief discussion about continuing to meet in the Metro Council Chambers, and it was agreed that the Board would plan to hold all regular meetings in the Chambers, barring scheduling conflicts with the Council. The chairman also announced that the DROP interest rate had been determined by the actuary as an effective rate of 9.1% after compounding.

Motion by Mr. LeBlanc, seconded by Mr. Daniels to adjourn the meeting at 10:46 a.m.

No discussion and no objections.

Motion passed by those members present.

MARSHA HANLON
CHAIRMAN, RETIREMENT BOARD OF TRUSTEES

JEFFREY R. YATES
RETIREMENT ADMINISTRATOR